



Financial Management

**DEDICATED FOREIGN MILITARY SALES TRAINING
PROGRAMS**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

NOTICE: This publication is available digitally on the SAF/AAD WWW site at: <http://afpubs.hq.af.mil>. If you lack access, contact your Publishing Distribution Office (PDO).

This instruction implements AFD 65-6, Budget. It defines and establishes financial reporting requirements for dedicated foreign military sales (FMS) training programs. Send comments and suggested improvements on AF Form 847, **Recommendation for Change of Publication**, through channels, to SAF/FMB, 1130 Air Force Pentagon, Washington, DC 20330-1130.

1. Definition. A dedicated FMS training program assigns or allocates specific resources and/or services for a sole training purpose or use by non-United States (US) personnel. It does not include dedicated FMS training programs for which a tuition rate is established based on cost per student. Dedicated programs may involve one or more nations who share the services and/or resources. The United States may or may not be one of the nations. In some instances a dedicated program may be a joint program such as the Euro-NATO Joint Jet Pilot Training Program. Normally, training will not be provided to US personnel except for the purpose of training personnel to provide instruction or other services to non-US personnel within the program (i.e., joint, cooperative, etc.).

2. Reporting Requirements. All Major Commands (MAJCOM), Field Operating Agencies (FOA), and other US Air Force agencies must report financial and costing data for dedicated training programs for non-US personnel to SAF/FMBIS. In most instances, policies, procedures and specific cost allocation methodologies will be stated in a supplemental condition to the Letter of Offer and Acceptance (LOA) or in a Memorandum of Agreement (MOA), if applicable. Department of Defense Financial Management Regulation, 7000.14-R, Volume 15 Security Assistance Policy and Procedures, March 1993 establishes the policies and procedures for pricing training.

2.1. Financial Reporting Requirement. MAJCOMs, FOAs, and other US Air Force agencies must accomplish and conduct financial reporting requirements for dedicated programs in accordance with US regulations and procedures. Specific financial reporting requirements are incorporated in the applicable MOA or LOA..

3. Responsibilities.

3.1. SAF/FMBIS is the office of primary responsibility (OPR) for financial policy concerning FMS training programs. As such it does the following:

- 3.1.1. Establish FMS financial policy for the implementation and financial management of dedicated training programs.
- 3.1.2. Provide technical guidance and instruction for determining financial policy on program costs and other related financial information.
- 3.1.3. Review and approve command and field financial management guidelines for implementing new programs.
- 3.1.4. Evaluate and approve financial policies, procedures and methodologies related to the budgets, budget documents and budget execution.
- 3.1.5. Insure availability of cost and planning factors for use in developing budgets and cost reports.

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3.2. MAJCOMs, FOAs and other USAF Implementing Agencies

- 3.2.1. Establish and maintain systems and procedures for gathering and reporting program training costs and related data.
- 3.2.2. Assist organizations within the command or agencies to develop and submit cost and related data for program training.
- 3.2.3. Submit any unique program training cost factors, cost estimating relationships, estimating procedures and methodologies related to command training mission to SAF/FMBIS for approval prior to use.
- 3.2.4. Submit general applications of command-developed cost factors to SAF/FMBIS for evaluation and approval.
- 3.2.5. Compare training cost line items with prior year line item cost and report any major changes or significant variances to SAF/FMBIS. If the cost variance is significant (+/- 10% or +/- \$100,000), the variance will be documented and explained.
- 3.2.6. Prepare and furnish a copy of implementing financial management guidelines for dedicated training programs to SAF/FMBIS for review and approval.
- 3.2.7. Establish a single point of contact for financial management of each dedicated program and provide name, rank, office symbol and telephone number to SAF/FMBIS.

4. Disposition of Records. Dispose of all reporting forms and financial records as prescribed by AFMAN 37-139, Records Disposition Schedule.

ROBERT F. HALE

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& Comptroller)